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# SENATE BILL No. 535

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-4-2.

**Synopsis:** Research expense credit. Increases the research expense credit percentage from 5% to 20%.

**Effective:** January 1, 2002.

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### Simpson

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January 23, 2001, read first time and referred to Committee on Finance.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## SENATE BILL No. 535

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.1-4-2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) A taxpayer  
3 who incurs Indiana qualified research expense in a particular taxable  
4 year is entitled to a research expense tax credit for the taxable year.

5 (b) A taxpayer who does not have income apportioned to this state  
6 for a taxable year under IC 6-3-2-2 is entitled to a research expense tax  
7 credit for the taxable year in the amount of the product of:

8 (1) ~~five~~ **twenty** percent (~~5%~~); (**20%**); multiplied by

9 (2) the remainder of the taxpayer's Indiana qualified research  
10 expenses for the taxable year, minus:

11 (A) the taxpayer's base period Indiana qualified research  
12 expenses, for taxable years beginning before January 1, 1990;

13 or

14 (B) the taxpayer's base amount, for taxable years beginning  
15 after December 31, 1989.

16 (c) A taxpayer who has income apportioned to this state for a  
17 taxable year under IC 6-3-2-2 is entitled to a research expense tax



1 credit for the taxable year in the amount of the lesser of:

2 (1) the amount determined under subsection (b); or

3 (2) ~~five~~ **twenty** percent (~~5%~~) (**20%**) multiplied by the remainder  
4 of the taxpayer's total qualified research expenses for the taxable  
5 year, minus:

6 (A) the taxpayer's base period research expenses, for taxable  
7 years beginning before January 1, 1990; or

8 (B) the taxpayer's base amount, for taxable years beginning  
9 after December 31, 1989;

10 further multiplied by the percentage determined under IC 6-3-2-2  
11 for the apportionment of the taxpayer's income for the taxable  
12 year to this state.

13 SECTION 2. [EFFECTIVE JANUARY 1, 2002] **IC 6-3.1-4-2, as**  
14 **amended by this act, applies only to taxable years beginning after**  
15 **December 31, 2001.**

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